

# American

## NEWS & VIEWS

*A Daily Newsletter from Public Affairs, American Embassy*

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January 21, 2011

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## Presidents Obama and Hu Work to Strengthen Economic Relations

By Merle David Kellerhals Jr.  
Staff Writer

Washington — During a one-day summit between President Obama and Chinese President Hu Jintao, the two leaders agreed to take further steps to liberalize global trade and investment and to oppose measures that could lead to protectionism.

Obama and Hu emphasized “their strong commitment” to engage in across-the-board talks to successfully conclude the World Trade Organization’s Doha Development Agenda, also known as the Doha Development Round, which would foster greater global trade liberalization, according to a U.S.-China joint statement. Negotiations to lower trade barriers among trading nations began in November 2001 but have stalled over tariff issues and trade remedies since 2008.

As part of a bilateral economic and trade initiative, China announced contracts for more than \$45 billion in increased U.S. exports covering industries including jet aircraft, agriculture, machinery, chemicals, auto parts and computer software. The White House said in a fact sheet that the increased exports will help support an estimated 235,000 jobs in the United States.

The exports, announced January 19 during a state visit by Hu, will further a goal announced by Obama in 2010 to expand U.S. exports over the next five years and rebalance the U.S. economy from one that is largely consumer-driven to one that offers a greater share of growth from exports.

“I am very pleased that we’ve completed dozens of deals that will increase U.S. exports by more than \$45 billion and also increase China’s investment in the United States by several billion dollars,” Obama said at a joint press conference at the White House January 19.

Hu’s state visit marked the eighth time the two world leaders have met face to face in two years and underscores a significant effort by the United States and China to expand the relationship that began 32 years ago with the normalization of relations under President Jimmy Carter and Chinese paramount leader Deng Xiaoping, Obama noted.

Obama made a state visit to China in November 2009 and invited Hu to make a similar visit to the United States. During Hu’s visit with Obama, he also met with members of the U.S. Congress and business leaders in Washington and Chicago before returning to Beijing.

“We have an enormous stake in each other’s success,” Obama said. “In an interconnected world, in a global economy, nations — including our own — will be more prosperous and more secure when we work together.”

“China’s success has brought with it economic benefits for our people as well as yours, and our cooperation on a range of issues has helped advance stability in the Asia-Pacific and in the world,” Obama added during arrival ceremony remarks January 19.

The United States exports \$100 billion in goods and services annually to China, which is its largest trading partner after Canada and Mexico. U.S. exports to China are growing almost two times as fast as overall U.S. goods and services exports, the White House said.

The more than \$45 billion in new exports includes a \$19 billion package for 200 Boeing-manufactured jet aircraft over a three-year period, 2011–2013, that will support more than 100,000 American jobs, including Boeing and its suppliers throughout the United States. In addition, the package includes 70 signed contracts for \$25 billion in U.S. exports from 12 states, the White House said.

In addition, 11 investment contracts were signed worth \$3.24 billion. More export transactions were announced or showcased that add \$12 billion to the \$45 billion announced January 19.

“These cross-border collaborations, both public and private, underpin the expanding U.S.-China commercial partnership, contributing to economic growth and development in both countries,” the White House said. “A number of these transactions highlight the increased collaboration in such areas as clean energy and green technologies.”

The White House also said that China has agreed to hold accountable violators of intellectual property rights (IPR) on the Internet, including those who conduct counterfeiting and piracy against others, and to strengthen IPR protections in China’s libraries.

U.S. Energy Secretary Steven Chu and Chairman Chen Qiufa of the China Atomic Energy Authority signed an agreement to establish a jointly financed center of excellence in China to promote effective nuclear security and safeguards, the White House said. Obama and Hu agreed to the arrangement during the April 2010 Nuclear Security Summit held in Washington. It will provide training to improve security at nuclear facilities and provide stronger accounting for nuclear materials.

The United States and China also agreed to cooperate in research on energy efficiency, clean coal and clean vehicles through a newly established consortium under

the U.S.-China Clean Energy Research Center. And the United States signed an agreement with the Chinese Academy of Sciences to promote cooperation in a range of energy, biological and environmental sciences.

### **U.S. Hoping for Constructive Talks with Iran in Istanbul**

By Stephen Kaufman  
Staff Writer

Washington — The United States is hoping that talks in Turkey with Iranian officials will evolve into a “meaningful and practical negotiation process” that will address the international community’s concerns over Iran’s nuclear activities, according to State Department spokesman Mark Toner.

Toner also said the Obama administration is willing to discuss an updated deal to provide nuclear fuel for Iran’s Tehran Research Reactor (TRR).

“We’re not expecting any big breakthroughs, but we want to see a constructive process emerge” that leads to Iran’s “credible” engagement with the international community, Toner said January 20.

Under Secretary of State for Political Affairs William Burns is leading the U.S. delegation to join representatives from Russia, China, France, the United Kingdom and Germany, collectively known as the P5+1, in the January 20-22 talks with an Iranian delegation in Istanbul.

“We’re there to talk about Iran’s nuclear program and to engage with them on that,” Toner said. “What we want to see is a process emerge that leads to progress.”

The talks follow December 6-7 discussions between the P5+1 and Iranian representatives in Geneva. During previous meetings in October 2009, the P5+1 proposed a deal that would have provided the TRR with enriched uranium fuel and would have required that the enrichment be done in another country to ensure that uranium would not be enriched to a level that could be used for nuclear weapons.

Iran ultimately rejected the offer, and has declared that it is now enriching its own uranium fuel supplies.

Toner said “the onus is on Iran” to address the international community’s concerns that it is developing a nuclear weapons capability under the cover of a civilian program. He added that the U.S. approach to the talks will include “practical, tangible steps” to build confidence between the two sides.

“That’s always what the TRR proposal has been, a confidence-building measure,” Toner said. “It would have

to be some kind of updated arrangement. But we’re willing to discuss that in greater detail.”

Secretary of State Hillary Rodham Clinton said January 19 that international efforts have delayed Iran’s nuclear activities. That “gives us more of a breathing space to try to work to prevent them from obtaining a nuclear weapon, to change their strategic calculation,” she told NBC’s Today Show.

A nuclear-armed Iran is not inevitable, she said.

“It’s very clear that the international community, including China, Russia, the Middle East, the Arab nations, are all united in our commitment to prevent Iran from obtaining nuclear weapons. And that will continue to be our priority,” Clinton said.

### **U.S. Toughens Offshore Drilling Rules**

By Karin Rives  
Staff Writer

Washington — The worst oil spill in U.S. history has triggered a shake-up of the government agency that oversees offshore drilling and prompted new rules that officials hope will keep oceans safe from future accidents.

At stake are not just American waters, but oceans worldwide, Interior Secretary Ken Salazar told an ocean conference being held in Washington January 19-21.

“The oceans of our Earth are intertwined, so whatever we do in the Gulf of Mexico and in the water of the United States will have implications for the development of oil and gas in the oceans all around our world,” Salazar said. “I hope that we as a nation develop the gold standard for safe oil and gas production from our world oceans.”

There are also early discussions under way with industry regulators in other Gulf nations to seek uniform standards for drillers, officials said.

Eleven people died and more than 750 million liters of crude oil gushed into the ocean when a BP exploratory oil rig exploded in April 2010. It took three months to stop the spill.

The Obama administration since has extended the moratorium on new drilling in the eastern part of the Gulf until 2017, but the reforms announced this week affect oil and gas drillers in all American waters.

### **MORE OVERSIGHT FOR DRILLERS**

The U.S. Department of the Interior is creating two new independent agencies, one to approve oil and gas leases and the other to enforce worker safety and environmental

regulations. A third function, collection of royalties from oil and gas companies, had already been separated into an independent agency.

By isolating such functions, the Interior Department wants to make sure employees who are overseeing compliance with safety and environmental laws don't get distracted by other tasks.

A new advisory board of leading scientists, engineers and technical experts will give the government input on offshore drilling safety and spill response. Regulations for drillers have also been tightened to ensure oil and gas companies have adequate safety plans and are subject to independent inspections before and during production.

"We've launched the most aggressive and comprehensive reforms of offshore oil and gas regulations ever seen in U.S. history," Salazar said. "We're raising the bar for safety oversight and environmental protection at every stage of the oil and gas development process."

#### INTERNATIONAL COLLABORATION NEEDED, EXPERTS SAY

William Reilly, co-chairman of a national commission created to investigate the BP oil spill, said such steps won't protect the entire Gulf of Mexico. Mexican state oil company Pemex is planning to develop oil wells in the deep water of the Gulf and Cuba is planning 14 wells, he said.

"We cannot look at the Gulf without recognizing that other countries will be drilling relatively soon, within the next two years," he said. "We have the same issue in the Arctic. The Russians are moving into the Russian Arctic and other countries, Denmark and Canada ... have agreements to drill there. I think it's very important that we recognize the international significance of this. We're dealing, after all, with a global industry that is present everywhere."

Reilly, a former administrator of the U.S. Environmental Protection Agency, said he's had conversations with Mexican regulators about creating uniform rules for offshore drilling in the Gulf. Mexico may also be able to facilitate a future agreement with Cuba, he said.

Ultimately, however, the United States and the world must wean themselves off fossil fuels, Salazar said.

"As we move forward with oil and gas production, we know that we're not going to drill our way to energy independency," he said. "We as a nation need to come together ... and embrace a broad, comprehensive energy policy that will power our economy with sustainable and renewable energy."

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